

MEMORANDUM OF UNDERSTANDING
BETWEEN
U.S. ENVIRONMENTAL PROTECTION AGENCY
AND
THE AMERICAN CHEMISTRY COUNCIL

THIS AGREEMENT SETS FORTH THE PROCEDURES FOR THE JOINT SOLICITATION OF RESEARCH PROPOSALS BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S OFFICE OF RESEARCH AND DEVELOPMENT AND THE AMERICAN CHEMISTRY COUNCIL'S LONG-RANGE RESEARCH INITIATIVE

I. INTRODUCTION

Within EPA, the Office of Research and Development (ORD) provides leadership in science and conducts most of the Agency's research and development. ORD's mission is to conduct leading-edge research and to foster the sound use of science and technology in fulfilling EPA's mission to protect human health and safeguard the natural environment. Through its National Center for Environmental Research (NCER), ORD seeks to involve and support scientists and engineers in our nation's colleges, universities, and non-profit institutions in research and educational efforts that will provide the sound science needed for environmental protection. NCER issues requests for applications (RFAs) on specific research topics and awards approximately \$100 million a year in grants.

The American Chemistry Council (ACC) is a not-for-profit organization established with the funding support of member companies of the US chemical industry. The ACC has initiated a Long-Range Research Initiative (LRI) supported by \$25 million per year. The LRI seeks to increase the knowledge of the potential risks that chemicals have on human health and the environment. The research is conducted by independent research institutions under policies that help ensure investigator independence, including publishing the results in peer-reviewed journals.

EPA and ACC believe that there is a unique opportunity to bring together government and industry through a collaborative effort involving a public process for joint solicitation of research proposals. This effort would provide the opportunity to leverage expertise and to engage the best scientists in the research community to promote improvements in the quantity and quality of data for use in human health and ecological risk assessment.

II. PURPOSE

The purpose of this joint effort is to utilize the complimentary expertise and capabilities of ORD and the ACC in the joint development of Requests for Applications (RFAs) for areas of research of mutual interest, and in the collaborative evaluation of proposals that may lead to independent awards by each of EPA and ACC.

This document sets forth the procedure that the US Environmental Protection Agency's Office of Research and Development (ORD) and the American Chemistry Council's (ACC) Long-Range Research Initiative will follow for coordination, collaboration and cooperative issuance of joint solicitations of research proposals. This Memorandum of Understanding (MOU) is entered into by and between ORD and ACC (the "parties") for the purpose of formalizing cooperative efforts to conduct a coordinated extramural research support program in areas of mutual programmatic interest. The MOU establishes a mutual framework governing the responsibilities of the parties for administering the joint program.

III. AUTHORITY

Section 103 of the Clean Air Act, 42 U.S.C. 7403, Section 104 of the Clean Water Act, 33 U.S.C. 1254, and Section 8001 of the Solid Waste Disposal Act, 42 U.S.C. 6981 provide EPA with authority to undertake cooperative efforts with not for profit private organizations to promote the coordination and acceleration of research relating to the causes, effects, extent, prevention, reduction, and elimination of pollution.

III. PROCEDURES

A. Developing the Procedures: On May 7, 2002 a Federal Register Notice was published (67 FR 30680) announcing a meeting between ORD and ACC to discuss a draft public process for the development of joint solicitations. The meeting was held on May 23, 2002. Public comment period ended on June 12, 2002. Comments received were taken into consideration in finalizing this MOU.

B. Procedure for Determining and Developing RFAs: Initially, topic(s) of mutual interest for joint solicitation of research proposals will be identified through staff interactions and sharing of planning information between ORD and ACC. If there is agreement between ORD and ACC on research proposal topic(s) that the parties would like to issue a joint solicitation for, then the procedure described below will be followed.

1. A Federal Register Notice (FRN) will be issued announcing a meeting between ORD and ACC to discuss the development of a joint RFA in a particular area and the opportunity for public input into the topic. Public oral comment will be welcomed at the time of the meeting and written comment will be welcomed until at least 14 days after the meeting.

2. The meeting will be held at least 14 days following the Federal Register Notice announcement.
 - (a) The agenda for the meeting will include presentations by ORD and ACC regarding their interest in the topic, the value of additional research in this area, potential specific topic(s) for which research proposals may be solicited, and the public process that will be used to develop the RFA. Other EPA and outside scientists may also be asked to give presentations.
 - (b) The agenda will include time to allow for public input regarding the proposed joint RFA, suggestions of specific area(s) of potential solicitation, and the public process of issuing the joint RFA.
 - (c) The agenda will include time for ORD, ACC, and other interested parties to discuss specific area(s) for which the joint RFA may solicit proposals.
 - (d) This procedure was already used for the first area in which ORD and ACC plan on issuing a joint request for applications. The FRN of May 7, 2002 (67 FR 30680) identified an interest in pursuing a joint request for applications in the area of "Novel Approaches for Analysis of Human Exposure Data." Comments were solicited at the public meeting held on May 23, 2002 and the written comment period ended on June 12, 2002.
3. Following the public meeting, ORD and ACC will develop a draft RFA in the discussed area of mutual interest.
4. Another Federal Register Notice will be issued that either includes the draft RFA or identifies a website on which it may be found. It will also reference this MOU describing the public procedure that ORD and ACC will follow when issuing joint RFAs. The FRN will request input into the content of the draft RFA within a 30-day period.
5. ORD and ACC will take into consideration the public input received on the draft RFA and will jointly announce the final solicitation.

C. RFA Announcement. The announcement of the final RFA will be in accordance with the procedure ORD follows when issuing RFAs as set forth below and described at <http://es.epa.gov/ncer>.

1. The announcement will advise applicants who want to apply for funding from ACC only to contact ACC for further guidance on funding opportunities separate from the joint solicitation.
2. Application forms for those who want to be considered for funding by either EPA or ACC, or only EPA, will be those used to apply for an NCER grant. A set of special instructions on how these applicants should apply is found on the NCER web site, <http://es.epa.gov/ncer/rfa/forms/downlf.html>, Standard Instructions for Submitting a STAR Application. Applicants for the joint ORD and ACC solicitation must follow NCER's standard instructions.
3. The RFA announcement will be open for no less than 90 days.
4. The RFA announcement will include information on funds available and mechanisms of support (i.e., describe the fact that EPA's awards will be in the form of grants and ACC's awards will be in the form of research contracts following the principles of investigator independence).

D. **Review of Applications.** All applications will initially be reviewed by NCER's Peer Review Division to determine their administrative acceptability. Incomplete and/or non-responsive applications will be returned to the applicant without further consideration. Acceptable applications will be reviewed as set forth below.

1. Acceptable applications will be reviewed by a technical peer review panel convened by NCER's Peer Review Division following ORD's standard independent peer review process. This review is designed to evaluate each proposal according to its technical and scientific merit. The technical peer review group will be composed of scientists from academia, industry, and other federal agencies who are experts in their respective disciplines. These reviewers will be experts in areas appropriate to review the specific proposals being evaluated. None of the peer reviewers shall be representatives of the ACC or its member companies.

2. Applications that receive scores of excellent and very good by the external peer reviewers will be considered as eligible for funding.

- (a) ORD will subject all the excellent and very good applications for which the Principal Investigators requested consideration for funding by either EPA or ACC, or only EPA, to a further programmatic review conducted by representatives from ORD laboratories/centers and EPA's program and regional offices. The objective of this review is to ensure a balanced portfolio. Recommendations for funding will be made to the Director of ORD's National Center for Environmental Research.

- (b) ACC will subject all the excellent and very good applications for which the Principal Investigators requested consideration for funding by either EPA or ACC (but not for EPA-only funding) to a further programmatic and relevancy review conducted by scientists on its Technical Implementation Panels (TIPs). The objective of this review is to ensure relevancy to industry's research needs and a balanced portfolio. Recommendations for funding will be made to the LRI Strategic Science Team co-Leaders.

E. **Funding Decisions & Oversight.** ORD and ACC staff will discuss funding recommendations of their respective organizations and will coordinate final funding decisions. Funding decisions are the sole responsibility of ORD and ACC for the projects funded by their respective organizations. Awards will be made on the basis of technical and scientific merit, programmatic relevancy, program balance, cost and budget availability as determined by each of ORD and ACC.

1. The funding mechanisms for all awards will consist of grants from EPA and research contracts from ACC.

2. For EPA awards, in accordance with the Federal Grant and Cooperative Agreement Act, 31 U.S.C. 6101 et. Seq., assistance agreements (grants and cooperative agreements) must be used to accomplish a public purpose of support or stimulation authorized by Federal statute rather than to acquire goods or services for the direct benefit of the Agency.

3. ORD and ACC project officers for the projects awarded under this solicitation will work collaboratively to oversee the progress of the projects. On an annual basis, or

when deemed appropriate, a workshop among the awardees, ACC, ORD and other EPA and outside scientists will be held to foster collaborative efforts. In addition, ORD and ACC will require that the results of the coordinated research efforts are published in peer reviewed scientific journals or otherwise made available to the public.

IV. RESPONSIBILITIES OF THE PARTIES

A. The Director of the National Center for Environmental Research (NCER) and the Vice-President of Science and Research of the ACC will provide the overall leadership and guidance on the procedures for developing joint solicitations and in the development of specific RFAs.

B. As topics for joint solicitations are identified, working groups of ORD and ACC scientists or their designees will be formed that will foster/oversee the development of the RFAs and ensure that the appropriate individuals in their organizations provide input and review. They will collaborate and cooperate on the public meetings and draft RFAs, set up the public meetings, and facilitate public input into the development of the RFAs and the procedures for solicitation.

C. ORD/NCER will:

- 1. Participate in identifying topics of mutual interest for possible joint solicitations with ACC.**
- 2. Provide appropriate scientists to serve as Project Officers and working group members for specific RFAs.**
- 3. Organize the logistics for the public meetings, in consultation with ACC.**
- 4. Take administrative actions necessary to ensure the publication of the Federal Register Notices on the public meetings and the availability of the draft and final RFAs.**
- 5. Announce public meetings and availability of draft and final RFAs on their website.**
- 6. Convene the independent peer review panels.**
- 7. Establish programmatic review panels.**
- 8. Prepare award packages for those selected by NCER.**
- 9. Organize periodic meetings among awardees, in consultation with ACC.**

D. ACC will:

- 1. Participate in identifying topics of mutual interest for possible joint solicitations with ORD/NCER.**
- 2. Provide appropriate scientists to serve as Project Officers and working group members for specific RFAs.**
- 3. Cooperate with ORD/NCER in the organization of the logistics for the public meetings.**
- 4. Announce public meetings and availability of draft and final RFAs on their website.**
- 5. Establish programmatic review panels.**
- 6. Prepare award packages for those selected by ACC LRI.**

7. Organize periodic meetings among awardees, in consultation with ORD/NCER.

V. FUNDING

Each party will bear its own costs in carrying out this MOU. All of EPA's activities under this MOU are conditioned on the availability of, and constraints on the use of appropriated funds. ACC's activities under this MOU are subject to availability of and constraints on the use of funding and personnel. Neither party will submit a claim for compensation to the other for activities undertaken to carry out the MOU. There will be no transfer of funds between parties under this MOU nor does this MOU establish any obligation on the part of either party to make payments now or in the future.

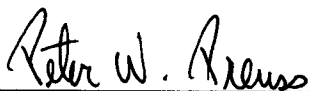
VI. EFFECTIVE DATE AND REVISION OR TERMINATION

The MOU will become effective upon signature of the approving parties and shall remain in effect for three years. It may be extended or amended by written agreement of the parties at any time during that period. Other parties may participate in activities specified in this MOU upon written agreement of the parties. The MOU may be terminated at any time upon sixty days' written notification by either party to the other. Termination of this MOU shall not affect the validity or duration of projects that were awarded pursuant to the MOU and initiated prior to such termination.

VII. APPROVAL

For ORD:

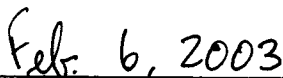
For ACC:



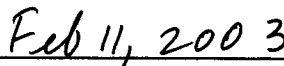
Peter W. Preuss, Ph.D.
Director
National Center for Environmental Research
Office of Research and Development



Carol J. Henry, Ph.D., D.A.B.T.
Vice President, Science and Research
American Chemistry Council



Date



Date